

SKHHP Executive Board
May 21 2021, 12:00 – 3:00 PM
Virtual – Zoom Meeting

Video conference:

<https://zoom.us/j/99857398028?pwd=eXFiMmJpQm1abDZmMmRQbHNOYS8ydz09>

OR by phone: 253-215-8782

Meeting ID:	998 5739 8028		Password:	085570
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- I. Call to Order
 - a. Roll Call
 - b. Introductions
- II. Review Agenda/Agenda Modifications
- III. Approval of April 23, 2021 Minutes – *Attachment A (action item)*
- IV. Old Business
 - a. Housing Capital Fund and 501(c)(3) with Cedar River Group (12:10 – 1:00)
 - i. Summary of March and April Executive Board discussion (*Attachment B*)
 - ii. Updated SKHHP Housing Capital Fund matrix (*Attachment C*)
 - b. SKHHP Advisory Board update (1:00 – 1:10)
- V. New Business
 - a. 2021 Quarterly progress and budget report – *Attachment D* (1:10 – 1:20)
 - b. State Legislative Session wrap-up – *Attachment E* (1:20 – 1:45)
 - c. Work plan priority setting and budget planning – *Attachment F* (1:45 – 2:50)
- VI. Updates/Announcements (*as time allows*)
- VII. Next Meeting – June 25, 2021 – 1:00 pm – 3:00 pm
- VIII. Adjourn



I. CALL TO ORDER

In the absence of Chair and Vice-Chair, Executive Manager, Angela San Filippo called the virtual meeting to order at 1:05 pm.

II. ROLL CALL/ESTABLISHMENT OF QUORUM

Executive Board members present: Merina Hanson, Alternate City of Kent; Colleen Brandt-Schluter, Alternate City of Burien; Joseph Cimaomo, City of Covington; Traci Buxton, City of Des Moines; Sarah Bridgeford, Alternate City of Federal Way; Sunaree Marshall, King County; Sue-Ann Hohimer, City of Normandy Park; Ryan McIrvine, City of Renton; Tom McLeod, City of Tukwila.

Other attendees: Angela San Filippo, SKHHP; Trish Abbate, SKHHP, Marty Kooistra, HDC; Patience Malaba, HDC; Hannah Bahnmler, City of Renton; Laurel Humphrey, City of Tukwila; John Howell, Cedar River Group; Robert Feldstein, Cedar River Group; Nicole Nordholm, City of Des Moines; McCaela Daffern, King County; Alanna Peterson, Pacifica Law Group; Deanna Gregory, Pacifica Law Group; Chris Lovings, Eastside Legal Assistance Program; Katharine Nyden, Eastside Legal Assistance Program; Tram Tran-Larson, Housing Justice Project

III. REVIEW AGENDA/AGENDA MODIFICATIONS

No concerns or modifications with the agenda.

IV. APPROVAL OF MARCH 26, 2021 MINUTES

Joseph Cimaomo moved to approve the March 26, 2021 minutes as presented; Traci Buxton seconded the motion. Motion passed unanimously (8-0). Sue-Ann Hohimer missed first vote.

V. OLD BUSINESS

1. SKHHP Housing Capital Fund with Cedar River Group

San Filippo introduced John Howell and Robert Feldstein from Cedar River Group to continue the discussion on the SKHHP Housing Capital Fund. John Howell explained that today's conversation is a continuation of the high level conversation that began last month. Robert Feldstein reviewed last month's feedback and themes of pragmatism and a focus on impact to meet the greatest needs.

Tom McLeod asked for feedback on pitfalls to avoid as we create the capital fund structure. Sunaree Marshall suggested if we are focused on greatest need to remember to not always pick the easiest option if there is something more impactful. Marty Kooistra suggested avoiding duplicating other potential resources with low or no leverage value.

Howell introduced the following discussion questions:

1. How do you feel about the philosophy that in any given year contributions to the capital fund (from philanthropy or local funds from members) would be used in an individual jurisdiction/unincorporated area, but over time the funding support for projects would be spread across the SKHHP sphere of influence?

Cimaomo – weight value of the project over specific geographic location, choosing what will best meet needs in South King County regardless of money coming from philanthropic or public funds.

Buxton – acknowledges the value of SKHHP is that it is a regional partnership and the benefit may be to the region over the specific cities in question.

McCleod – there should be an equitable and accountability piece to this and wants buy in and accountability from all the cities. Start where we can get the biggest bang for our buck and over time work to be more geographically equitable.

Sunaree Marshall – we should look strategically after a few years to evaluate where projects aren't happening and why – for example: did we get proposals or did we receive inadequate proposals, do developers not want to build there, were there political or communication challenges that may need problem solving and joint capacity building around. As a group, we will need to define “bang for our buck” or readiness - does this mean number of units or depth of subsidy and impact on those most cost burdened, location based on transit access, serving people most disadvantaged in the current housing system, etc.

Colleen Brandt-Schluter - it many sources of funds, the element of readiness will likely dictate where a project gets built as well. We should aim for geographic spread, but will have to go where it pencils while staying as flexible as possible since we can't know what will come our way.

Ryan McIrvine – echoes comments about the region benefiting as a whole which then benefits individual cities.

Merina Hanson – on a subregional level, there are often very few South King County applications so it will be useful to follow Sunaree's suggestions. Challenges we hadn't considered may occur and we will need to ensure agencies in our cities have technical assistance and other help they may need.

Sarah Bridgeford – balance of feasibility and readiness and looking over time at geographic distribution and understanding why that is happening and how to support local projects to achieve the geographic distribution.

2. Based on decisions you've already made, the capital fund will include contributions from members (i.e. 1406 dollars) and philanthropy (i.e. creation of a 501c3). What is the expectation about whether all cities should contribute something (funding or land) to the capital fund – annually or over a period of time? Once the capital fund is created can funds be used in a city that has not contributed to the capital fund? Should the size of local contributions to the fund influence where the capital funds are used?

McLeod – every jurisdiction should contribute to the capital fund, whether it's land or revenue.

Sue-Ann Hohimer – Normandy Park makes a really small contribution compared to the rest of SKHHP member cities but is committed to continuing that. Additional capital funds would be really difficult on a public level. Residents of the city would likely be able to contribute human capital (elbow grease etc.). Echoes regional approach and support for the region as a whole.

Buxton – the goal is to create and maintain affordable housing and reduce homelessness and if that happens, doesn't matter where it happens as long as it happens. The ILA almost removes city boundaries and creates an overarching big group situation.

Cimaomo – we are one big entity helping each other out and we should focus on what will benefit South King County the most, for example one city provides land and other cities provide money.

Hanson – recognize that it's really hard for smaller cities to contribute capital funds outside the dues and wants to be as inclusive as possible despite different budget issues.

Marshall – King County already manages a regional capital fund and doesn't contribute to ARCH's capital pool but tries to ensure KC as a whole is competitive for other sources of funding. Possibility of tapping into county's bonding authority that is something of value but not the capital fund itself.

3. As we get deeper into the design of the capital fund and decision/allocation processes, we are suggesting using the staff work group to help us develop more detailed recommendations to review with the Board. Is that approach acceptable? Are there any additional directions or questions you would like to provide for the staff work group?

All Executive Board members approved of moving forward with the staff work group.

2. SKHHP Advisory Board

- i. Memo: overview of selection and evaluation process**
- ii. Resolution 2021-02**

Buxton moves that we pass Resolution 2021-02 as written, McLeod seconds, passes unanimously (9-0). Motion carries, staff will move forward with outreach, engagement, info sessions, and recruitment.

VI. EDUCATIONAL ITEM

a. Eastside Legal Assistance Program and Housing Justice Project

Trish Abbate introduced Chris Lovings and Katharine Nyden from Eastside Legal Assistance Program. Lovings introduced Tram Tran-Larson from the Housing Justice Project. Nyden summarized both the state and federal eviction moratoriums set to expire on June 30, 2021. Overview of recent legislation including the passage of HB1236 which creates statewide just cause, protecting against no cause eviction, often rooted in discrimination. SB5160 provides a right to council for tenants and makes WA the first state to offer this level of civil legal aid and tenant protection. It also requires that landlords offer payment plans.

Tram Tran-Larson shared an overview of the \$165 million in rental assistance coming to King County. It will be structured similar to the CARES act, priority to 50% area median income (AMI) or below or unemployed persons, offering up to 12 months of assistance + future 3 months and may pay rent, utilities, or other expenses directly or indirectly due to COVID-19. Accessible through landlord fund, King County lottery fund, or contacting a hub (17 local agencies). Currently, no procedures or instructions in place to prep for the lifting of the moratorium. Eviction Resolution Program requires landlord to notify the Dispute Resolution Center before commencing eviction for nonpayment of rent, but has been problematic as tenants are unfamiliar and don't understand the documents and haven't been responding.

Recent data demonstrates that Kent, Renton, Federal Way, Auburn are 17.4% of KC's renters, but represent 44% of evictions, which is particularly problematic since these South King County cities are home to a higher proportion of BIPOC community members. Black/African Americans make up 6.3% of the total King County population yet represent 34% of evictions in King County.

If the eviction moratorium lifts on June 30, tenants can be evicted immediately if they owed money before February 29, 2020. If tenants are offered payment plans but are late or don't agree within a certain timeframe they will be at risk of eviction. It is unclear what the court process will be like.

Suggestions for what cities can do

- Ensure that tenants are not evicted while rental assistance is available and being processed
- Extend moratorium protections at city level
- No evictions for covid-19 related debt

- Protect tenants from rent increases
- Need to ensure that protections are not evaded
- Need to avoid evictions going through the court

Marshall added that King County is launching an eviction protection program. There is a large landlord program that has a stop gap because as part of the program, they cannot evict until their tenants have been screened, but this isn't in place for individual or smaller landlords. Hoping to avoid waiting lists and tenants calling a dozen agencies but there is administrative complexity around distributing such a large amount of money. Suggested follow-up education topic on County rental assistance program.

VII. SKHHP 501(c)(3) with Pacifica Law Group

San Filippo introduced Deanna Gregory and Alanna Peterson. Peterson introduced herself and shared that before the next meeting, the Executive Board will receive articles of incorporation and bylaws to review and that today is a continuation of the high level conversation with the Board in January. The first step is to create nonprofit entity under state law, then apply to the IRS for 501c3 status - state process is quick but IRS process is more drawn out. Pacifica will build in flexibility in the governance documents to be able to make changes as SKHHP's needs evolve and change. Proposed name for the 501c3 is South King Housing and Homelessness Partners Foundation. Next steps include creating an initial board of directors, articles of incorporation filed with the state, board approves bylaws, and make more detailed decisions about who should be on the inaugural board of directors (3-7 individuals, made up of SKHHP staff, Executive Board members, SKHHP partners such as community based organizations or nonprofits focused on homelessness and affordable housing). Governance documents state that the Executive Board receives the financial documents of the foundation on an annual basis, along with a mechanism for the Executive Board to approve all funding decisions.

VIII. WORK PLAN PRIORITY SETTING AND BUDGET PLANNING

San Filippo provided an overview to work plan and budget process, which will be covered in more detail in the May meeting from 12-3. Memo outlines the process in preparation for May meeting.

IX. UPDATES/ANNOUNCEMENTS

Buxton shared that on May 7, Angela San Filippo will be a featured speaker in partnership with regional partners for a who does what presentation with ARCH, HDC, SCA and KCHA to talk through individual organizations and how they work together along with highlights of their work. Registration opens next week.

X. NEXT MEETING – MAY 21, 2021 – 12-3pm (NOTE: extended time)

XI. ADJOURN

San Filippo adjourned the meeting at 3:01 pm.

SKHHP HOUSING CAPITAL FUND

The following is a summary of SKHHP Executive Board feedback from the March 26 and April 23 Executive Board meetings.

1. What is the purpose of the Fund?

- There should be flexibility in how funds are used.
- Base decisions on use of funds on most pressing needs, and consider where there are gaps.
- Use to create and foster relationships with funders, builders, cities.
- It must be based on outcomes – units created or preserved (several mentions of preservation).
- Serve as bridge funds – may be “last money in”.

2. What is your vision for what the Fund will accomplish in five years?

- Established credibility as a well-run fund that donors will want to support; a fund that gets things done.
- Units have been created (TOD was mentioned) – might even have enough track record to think about the next phase of growth.
- Positive stories – both from the perspective of people served, and the benefits to local communities.
- Established as a good partner – with donors, cities, developers.
- Can be nimble to respond to immediate needs/opportunities.

3. How do you feel about the philosophy that in any given year contributions to the capital fund (from philanthropy or local funds from members) would be used in an individual jurisdiction/unincorporated area, but over time the funding support for projects would be spread across the SKHHP sphere of influence?

- The SKHHP capital fund should be structured to support the “best value” projects for meeting priority affordable housing needs in South King County, regardless of location.
- Members are pooling resources to benefit South County residents, regardless of where they live.
- There is a need to maintain good working relationships with jurisdictions for all siting decisions for affordable units.

- It may make sense to initially focus on “best bang for the buck,” but over time spread capital fund dollars equitably across the region and work to ensure equity in benefits as well (to ensure affordable housing is being distributed across the region).
 - Periodically the board and staff should examine where projects are not being proposed and the reasons for the lack of proposals.
 - While there was general support for the idea that serving the region also serves each city, there was some reminder that over time, city councils will need to feel like they are getting a return on their investment.
 - Decisions about where to use capital fund dollars are likely to be heavily influenced by project readiness and availability of other housing funds, so should remain flexible.
- 4. Based on decisions you’ve already made, the capital fund will include contributions from members (i.e. 1406 dollars) and philanthropy (i.e. creation of a 501c3). What is the expectation about whether all cities should contribute something (funding or land) to the capital fund – annually or over a period of time? Once the capital fund is created can funds be used in a city that has not contributed to the capital fund? Should the size of local contributions to the fund influence where the capital funds are used?**
- There is some interest in having every city contribute to the capital fund over time (either funding or land) although there is recognition that this may be challenging for some smaller communities (and it’s important to be inclusive).
 - Capital funds should be used where projects are proposed and ready, as opposed to being based on contributions to the capital fund.
 - Ability to use 1406 or 1590 dollars as a contribution might entice some other cities in South King County to join (although some confusion on operation vs capital funds).
 - Based on the County’s experience with ARCH, it is unlikely that the County will contribute directly to the SKHHP capital fund, however, they will want to coordinate on how to jointly support projects and leverage other funds.
- 5. As we get deeper into the design of the capital fund and decision/allocation processes, we are suggesting using the staff work group to help us develop more detailed recommendations to review with the Board. Is that approach acceptable? Are there additional directions or questions you would like to provide for the staff work group?**
- Executive Board confirmation to work with the staff work group on the more technical components and develop recommendations for Board consideration.

**SKHHP Capital Fund Structure, Policies and Guidelines
May 12, 2021**

Overarching Questions:

- What stages, steps or topics are missing?
- Do you agree with the approach taken by ARCH, or are there suggested differences you would like to highlight?

Stage	ILA Guidance	ARCH Process/Approach	501c3 Requirements	Questions for SSKHP Exec Board and Staff Work Group	Staff Work Group Comments/Recommendations	Board Recommendations										
<p>Application Process – Frequency and timing?</p>	<p>NA</p>	<p>Competitive application process at least once per year, in coordination with Commerce, County and WSHFC ARCH may elect to accept applications “out of cycle” for preservation projects or opportunity acquisitions. Applications available online. Staff participates in a statewide work group each year to update the application forms based on evolving funder priorities</p>	<p>There will be some complexity in getting two rounds of review and approval from the two boards. Not a legal issue; an administrative issue. An agreement could spell out circumstances when there could be off-cycle review and approval for emerging opportunities.</p>	<p>Would you want the opportunity to have application process more than once per year? Off-cycle funding requests could be for preservation projects or land acquisition. Pro: Allows for nimble response. Con: Staff intensive.</p>	<ul style="list-style-type: none"> • Overarching comment: Make sure the capital fund structure, polices and guidelines are consistent with the King County Affordable Housing Committee Principles. • What is developer’s experience with other funding sources? 											
<p>Funding Priorities and Targets</p>	<p>1. d. affordable housing projects and programs 5. d. (4) Executive Board will have the power to establish policies for the expenditure of SKHHP budgeted items</p> <p><u>Guidance from March Board Meeting</u></p> <ul style="list-style-type: none"> • There should be flexibility in how funds are used 	<p>Use of Trust Fund to meet long term targets</p> <table border="1" data-bbox="739 1063 1085 1242"> <thead> <tr> <th><u>Population</u></th> <th><u>Target</u></th> </tr> </thead> <tbody> <tr> <td>Family</td> <td>56%</td> </tr> <tr> <td>Senior</td> <td>19%</td> </tr> <tr> <td>Homeless</td> <td>13%</td> </tr> <tr> <td>Special Needs</td> <td>12%</td> </tr> </tbody> </table> <p>Housing that meets the needs of low-income households earning up to 50% of median income. In special circumstances (for example, to promote</p>	<u>Population</u>	<u>Target</u>	Family	56%	Senior	19%	Homeless	13%	Special Needs	12%	<p>The 501c3 will have to spend \$ that is consistent with a “charitable purpose”. Must be consistent with language in c3 bylaws about purpose. Purpose is broad. Is there any complication with respect to mixed income developments,</p>	<p>How/when do you want to set targets and funding priorities? What household income levels do you want to target? How much flexibility do you want to create to meet the needs of a range of household incomes?</p>	<ul style="list-style-type: none"> • Different funding sources have different restrictions and requirements and SKHHP capital funding process will need to be aware of those constraints. • The priorities and targets should be based, in part, on a gap analysis. That analysis should be revisited every couple of years to make sure that SKHHP priorities are meeting current needs. 	
<u>Population</u>	<u>Target</u>															
Family	56%															
Senior	19%															
Homeless	13%															
Special Needs	12%															

Stage	ILA Guidance	ARCH Process/Approach	501c3 Requirements	Questions for SSKHP Exec Board and Staff Work Group	Staff Work Group Comments/Recommendations	Board Recommendations
	<ul style="list-style-type: none"> • Base decisions on use of funds on most pressing needs, and consider where there are gaps • Use to create and foster relationships with funders, builders, cities • It must be based on outcomes – units created or preserved (several mentions of preservation) • Serve as bridge funds – may be “last money in” 	<p>affordable homeownership or to leverage another program’s funding such as 4% Low Income Housing Tax Credits), moderate-income households earning up to 80% of median income may also be assisted.</p> <p>Funding Priorities: Achieve targets for populations; leverage private investment; TOD; homeless shelter and housing capacity; preservation of existing stock; geographic equity; cost-effective development approaches</p>	<p>historic renovations, home ownership, other? Could address in separate agreement. No definition under tax code or what “low-income” means.</p>			
<p>Eligible Applicants</p>	<p>NA</p>	<p>Housing developers or sponsors that are:</p> <ul style="list-style-type: none"> ▪ non-profit organizations ▪ private for-profit organizations ▪ public housing authorities ▪ public development authorities ▪ units of local government <p>Partnerships involving combinations of the above groups are encouraged, especially in the case where a private for-profit organization applies for funding</p>	<p>No inherent problem with giving \$ to private developer. Since there is no legal standard, one approach could be to create parameters around the type of activities or projects SKHHP will fund.</p>	<p>Do you want all of the ARCH eligible applicants, including for-profit housing organizations and local governments?</p>	<ul style="list-style-type: none"> • Should cross-reference this list with HOME eligibility. • Good to include HA’s – opportunity to partner with KCHA and work they do on preservation. • The engagement with for-profit developers will depend on what the capital funds will be used for; what the SKHHP priorities are. • There was a question about whether local governments should be included, but leave them on the list for now and 	

Stage	ILA Guidance	ARCH Process/Approach	501c3 Requirements	Questions for SSKHP Exec Board and Staff Work Group	Staff Work Group Comments/Recommendations	Board Recommendations
					clarify when funding priorities are established.	
Eligible Activities		<p>Funds may be used for the following activities:</p> <ul style="list-style-type: none"> • Acquisition, and related costs such as appraisals, financing costs, and transaction costs • Predevelopment, including architectural and engineering design, permits and fees • Rehabilitation and new construction costs • Site development • Off-site development only when necessary to assure utility service to the project site • Short term direct tenant assistance programs aimed at homeless prevention, e.g.,rent "buy-downs" or loan programs for payment of security deposits and last-month rent deposits. • Mixed-income projects so long as HTF dollars assist only low-and moderate-income units <p>In limited cases, ARCH may award a portion of the HTF funds to support early</p>	No concerns about the ARCH list	<p>Do you want to include all of the ARCH eligible activities?</p> <p>Do you agree with the statement about mixed income projects?</p> <p>Is anything missing?</p>		

Stage	ILA Guidance	ARCH Process/Approach	501c3 Requirements	Questions for SSKHP Exec Board and Staff Work Group	Staff Work Group Comments/Recommendations	Board Recommendations
		technical assistance to priority projects.				
Non-Eligible Activities	NA	Funds may not be used for: <ul style="list-style-type: none"> • The development of any non-residential use. HTF funds may be used in a mixed use development only for that portion of the development that is specific to the residential use. This restriction also applies to site development and off-site development costs. • The cost of any program operating expenses • The cost of any political or lobbying activities or materials. • Rehabilitation of single family units in a manner that would duplicate a city's Home Repair Assistance and King County's Home Repair Programs • Uses that are Public Capital Facilities such as correctional facilities or inpatient treatment facilities 	<p>No concerns about the ARCH list. Could possibly support operating expenses for non-profits providing services, but likely not for for-profits. There is more flexibility in supporting non-profits. Will need to make sure language about lobbying is consistent with legal restrictions.</p>	<p>Do you want to include all of the ARCH non-eligible activities? For permanent supported housing should funding for supportive services be eligible for any trust fund dollars?</p>		
Types of Funding Awards		Loans and grants. Housing Trust Fund dollars will be made available as either secured grants or loans. Flexible terms offered to accommodate a range of	Both loans and grants are potential uses; can also buy/sell property.	Do you want to offer both loans and grants, with opportunity for flexible terms?		

Stage	ILA Guidance	ARCH Process/Approach	501c3 Requirements	Questions for SSKHP Exec Board and Staff Work Group	Staff Work Group Comments/Recommendations	Board Recommendations
		<p>projects. Applicants indicate in application whether they are applying for a grant or loan, and what loan terms are proposed for the project.</p>				
<p>Application Content</p>			<p>Would like to have a statement that funds will not be used for lobbying (check box)</p>		<ul style="list-style-type: none"> • To what extent will SKHHP be involved with/relate to the Public Funders Group? • To what extent will SKHHP use processes/materials consistent with that group? 	
<p>Evaluation Criteria</p>	<p>NA</p>	<p>General</p> <ol style="list-style-type: none"> 1. Feasibility and Cost Effectiveness 2. Relevance to Local Housing Need 3. Experience of Sponsor and Development Team, Adequacy of Management Plan, Duration of Affordability, Adequacy of Support Services, Firmness of Financial Commitments. <p><u>Specific</u></p> <ol style="list-style-type: none"> a. Development and Operating Budgets b. Project Readiness c. Development Team Track Record d. Property and Asset Management Capacity 	<p>Create criteria that is the same for both the public and private funds. If there are disagreements about funding decisions it will be easier to resolve if everyone uses same criteria. No legal requirement; the suggestion is for ease of administration.</p>	<p>Are there other/different evaluation criteria you would like to include?</p>	<ul style="list-style-type: none"> • Need to be explicit about the need for SKHHP to partner with other funders, developers, jurisdictions. • Need to make sure that SKHHP goals and values are reflected in the criteria. 	

Stage	ILA Guidance	ARCH Process/Approach	501c3 Requirements	Questions for SSKHP Exec Board and Staff Work Group	Staff Work Group Comments/Recommendations	Board Recommendations
		e. Displacement and Relocations f. Criteria for Out of Cycle Proposals				
Decision Makers	4. b. Executive Board provides recommendations to the Parties regarding the allocation of public and private funding 14. f. (i) Each Party choosing to participate in funding a project or program through the Housing Capital Funds Account will by action of its legislative body authorize the application of a specified amount of its Individual Account monies to such project or program, and will authorize and direct the SKHHP Executive Board, the SKHHP Program Manager, and the Administering Agency to take such actions as necessary to accomplish this The Executive Board will recommend to the individual legislative bodies various terms to accompany their authorizations, including amount allocated, project		Funding decisions with respect to philanthropic \$ will need to be approved by both the Exec Board and 501c3 funds. There will be some overlap between the two boards, but the 501c3 board will be different than Exec board. After non-profit is formed, there could be a separate agreement between 501c3 and Executive board to spell out details. Keep the incorporation documents at a high level.		<ul style="list-style-type: none"> • Should both boards be required to approve use of both public and private \$? • How much authority does the SKHHP want to have in decisions about use of 501c3 funds? 	

Stage	ILA Guidance	ARCH Process/Approach	501c3 Requirements	Questions for SSKHP Exec Board and Staff Work Group	Staff Work Group Comments/Recommendations	Board Recommendations
	description, affordability requirements, type and term of funding commitment, and security interests.					
Role of the Advisory Board	8. Advisory Board will provide advice and recommendation to the Executive Board on land and/or money resource allocation for affordable housing projects, input on policy needs related to housing stability, program design and development, recommendations for emergency shelter and other immediate affordable housing needs...	Advisory Board does not set priorities or make decisions; they advise on recommendations, including funding conditions. AB discusses the applications and prepares summary matrices that outline the public benefits of the projects, and other basic information. The AB finalizes recommendations and associated funding conditions and presents recommendations to the ARCH Exec Board, with help from staff to prepare presentation materials.		What role would you like the Advisory Board to play with respect to priority setting, evaluation criteria, proposal review and recommendations?	<ul style="list-style-type: none"> Do you want Adv Board involved in decisions about both public and private funds? 	
Contract Documents	4. c. Exec Brd directs Administering Agency to enter into agreements with third parties for the use and application of public and private funds. 4. d. (v) SKHHP staff develop standard regulatory agreements acceptable to private and			Can the process be structured so that a developer can enter into a contract with SKHHP without having to getting approval from all member Councils?	<ul style="list-style-type: none"> To the extent SKHHP contracts with for-profits, will need to make sure agreements are clear regarding terms, including: affordability requirements, expected engagement with communities, etc. 	

Stage	ILA Guidance	ARCH Process/Approach	501c3 Requirements	Questions for SSKHP Exec Board and Staff Work Group	Staff Work Group Comments/Recommendations	Board Recommendations
	<p>public financial institutions to facilitate the availability of funding for private and public projects containing affordable housing.</p> <p>14.f. The Executive Board will develop standard forms of approvals and agreements to be used in the application of funds contributed to the Housing Capital Funds Account (collectively referred to as "project financing documents")</p>				<ul style="list-style-type: none"> • What is developers experience with other fund sources? • What staff capacity is needed to carry out this work? Should it be done in-house or contracted out? 	
<p>Reporting Requirements</p>	<p>4. c. At least annually, report to the Parties on the geographic distribution of all housing capital funds</p> <p>14. c. The Administering Agency will maintain records to separately track the deposits, withdrawals and interest earnings, within each Individual Account and each Project Account, and provide quarterly reports to all Parties as to the status of funds in each Individual Account and Project Account. These responsibilities may be delegated to the SKHHP Program Manager</p>					

Stage	ILA Guidance	ARCH Process/Approach	501c3 Requirements	Questions for SSKHP Exec Board and Staff Work Group	Staff Work Group Comments/Recommendations	Board Recommendations
Project Monitoring and Compliance	4. d. (viii) Develop and carry out procedures for monitoring of affordable units and to administer direct service housing programs on behalf of any Party. Such direct service housing programs may include but are not limited to relocation assistance programs, rent voucher and/or deposit loan programs.	Staff provide compliance monitoring for all member cities for projects funded via the capital fund and through local inclusionary zoning projects and/or development agreements. Compliance is required on		Will need to set capacity based on anticipated number of units. Will this work be conducted by SKHHP staff or city staff for units in their jurisdictions? Should it apply to units created with capital fund <u>and</u> by zoning incentives and/or requirements?	<ul style="list-style-type: none"> • What resources will be needed to do this work? Will this work be done in-house, or through a contract entity? 	
Sources of Funding	(14) Contributions from parties, or (4. d. (xi)) public and private fundraising efforts of public and private entities (including non-profit corporations) to raise funds to carry out the purposes of this Agreement.	Member contributions of cash and land. Projects rely heavily on other funds. For every \$1 in local contributions to HTF \$10 has been contributed to ARCH projects. Have not historically raised philanthropic funds.		Should contributions to the capital fund be expected or encouraged? Do you want land to count as a contribution to the capital fund?	<ul style="list-style-type: none"> • What is the level of interest in SKHHP among philanthropic funding sources? 	



2021 First Quarter Progress Report

WHO WE ARE

Partnership formed by an interlocal agreement between 10 jurisdictions in South King County supporting collaboration and sharing of resources to effectively address housing and homelessness in the region.

PURPOSE

Increase the available options for South King County residents to access affordable housing and to preserve the existing housing stock.

CONTACT

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Email:

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The following is a SKHHP progress report for the first quarter of 2021. This quarter included adoption of an Interlocal Agreement and a companion agreement to pool Substitute Housing Bill 1406 sales tax credit revenue funds, adoption of the SKHHP Advisory Board structure, adoption of 2021 Federal Legislative priorities, and kickoff to process and planning for SKHHP's Housing Capital Fund.

GOVERNANCE AND ADMINISTRATION

- Development of Advisory Board structure
- Adoption of 2021 Federal Legislative Priorities

POLICY AND PLANNING

- SKHHP approval of interlocal agreement and companion agreement to pool Substitute House Bill 1406 sales tax credit revenue funds
- Support for South King County City Housing Action Plans
- Kickoff of SKHHP Housing Capital Funding process and planning
- Convening South King County housing planners group

OUTREACH AND EDUCATION

Represent SKHHP at local and regional meetings and forums

- Housing Interjurisdictional Team (HIJT) for Affordable Housing Committee (AHC)
- Equity and Social Justice work group for AHC
- King County public funders group
- Sound Cities Association (SCA) Caucus to the AHC
- SKC Forum on Homelessness
- SKC Homelessness Advisory Committee (HAC)
- SKC Human Service Planners group

SKHHP Executive Board educational topics

- Pacifica Law Group and pursuing 501(c)(3) status
- Successful advisory boards, lessons learned, and best practices
- King County Health Through Housing proposal

Strengthen regional stakeholders' understanding of housing needs in SKC

- Began convening role for South King County Joint Planners and Developers

Informational and relationship building sessions with the following groups:

- Eastside Legal Assistance Program
- Puget Sound Regional Council
- South King County Mobility Coalition

**South King Housing and Homelessness Partners
Fund Status As of March 2021**

SKHHP Fund	BUDGET	ACTUAL
OPERATING REVENUES		
Auburn	26,000	-
Burien	15,000	-
Covington	7,500	-
Des Moines	7,500	-
Federal Way	26,000	-
Kent	34,000	-
Normandy Park	4,000	-
Renton	34,000	-
Tukwila	7,500	-
Unincorporated KC	34,000	-
King County additional contribution	41,000	-
Contributions/Donations	15,000	-
INTEREST EARNINGS	1,600	60
Total	253,100	60
EXPENDITURES		
SKHHP Cost Reimbursement	279,860	60,624
Administration Fee	28,000	7,000
Total	307,860	67,624
Beginning Fund Balance – January 1, 2021	241,645	
Estimated Net Change In Fund Balance	(54,760)	
Estimated Ending Fund Balance – December 31, 2021	186,885	

SKHHP Cost Reimbursement Detail	Actual
EXPENDITURES	
Wages	39,722
Benefits	14,495
Supplies	-
Professional Services	131
Interfund Allocations	6,275
Total	60,624

Memorandum



South King Housing and Homelessness Partners

To: SKHHP Executive Board
From: Angela San Filippo, Executive Manager
Date: May 14, 2021
Re: State Legislative Priorities Update

The SKHHP Executive Board identified 2021 State legislative Priorities through adoption of Resolution 2020-06 on November 20, 2020. The 2021 State Legislative session closed on April 25. This table summarizes the final status of bills related to SKHHP's 2021 Legislative Priorities.

SKHHP LEGISLATIVE PRIORITY	BILL SUMMARIES AND FINAL STATUS
1. HOUSING STABILITY	
Support implementation of statewide just cause eviction legislation to improve housing stability and create consistency in information and education.	<p>E2SHB 1236 Passed Legislature, delivered to Governor</p> <p>Landlords cannot evict tenants without “just-cause” (e.g. nonpayment of rent, landlord moving into unit, etc.), except if initial lease term was 12-months and subsequent lease terms are between 6-12 months, a landlord can terminate with a 60 day no-cause notice.</p> <p>Notices to terminate must provide all information known to the landlord at the time of the notice so tenant can defend themselves.</p> <p>If a tenant permanently vacates for a reason other than the landlord terminating the tenancy (such as death, deportation, etc.), the remaining occupants can apply to take over the rental agreement.</p>
Advocate for additional resources to address housing stability created by the economic impacts of the COVID-19 pandemic , including rent assistance and foreclosure/eviction prevention assistance.	<p>E2SHB 1277 Passed Legislature, delivered to Governor (more information in section 4)</p> <p>E2SSB 5160 Passed Legislature, partially vetoed by Governor</p> <p>Provides legal representation for tenants facing eviction, requires repayment plans for unpaid</p>

SKHHP LEGISLATIVE PRIORITY	BILL SUMMARIES AND FINAL STATUS
	rent during the pandemic, and ensures that landlords and tenants can access state rental assistance programs.
2. FISCAL FLEXIBILITY	
Lift the 1% property tax cap. Current revenues are not enough for many cities to support community expectations and priorities and city tax structures are not keeping up with traditional rate of inflation and growing costs. Lifting the property tax increase will allow funding flexibility and preserve critical city services.	HB 1362 Did not pass Heard but did not act on HB 1362 that would allow up to 3% increase to the property tax cap, based on population and inflation.
Authorize property tax-based tax increment financing , with a constitutional amendment if necessary. This will allow cities to access critically needed funding for local economic development projects. This approach doesn't raise property taxes on residents but allows development to pay for the public infrastructure needed.	ESHB 1189 Legislature passed, delivered to Governor Authorized a property-tax based Tax Increment Financing (TIF) tool to fund public infrastructure that helps drive economic development. <ul style="list-style-type: none"> • Does not impact the state's property tax rate or revenue • Protects current taxing districts' authority and existing tax collections • Stipulates the TIF can only be used to pay for publicly owned infrastructure • Requires a study and mitigation of any impacts on local businesses and affordable housing
3. INCREASE AND PRESERVE AFFORDABLE HOUSING	
Invest \$250 million in the State Housing Trust Fund from the Capital Budget, with \$10 million for preservation of affordable housing.	Final Capital Budget includes: <ul style="list-style-type: none"> • \$175 million for the Housing Trust Fund <ul style="list-style-type: none"> ○ \$105 million general pool ○ \$44 million programmatic set asides (e.g. preservation) • \$93.8 million for a new rapid capital acquisition fund (primarily serves people experiencing homelessness)
4. INCREASE STATE RESOURCES TO PREVENT AND END HOMELESSNESS	
Significantly increase state document recording fee – specifically increase document recording fee by \$100 to increase state and regional resources to prevent and end homelessness.	E2SHB 1277 Passed Legislature, delivered to Governor <ul style="list-style-type: none"> • 20% of funds to permanent supportive housing operations, maintenance, and services • 4% to landlord mitigation fund (this biennium, then 2%)

SKHHP LEGISLATIVE PRIORITY	BILL SUMMARIES AND FINAL STATUS
	<ul style="list-style-type: none"> • Remainder: <ul style="list-style-type: none"> ○ 60% to project-based vouchers, services, rapid rehousing, emergency housing or acquisition for persons who are chronically homeless ○ 50% of those served must be unsheltered ○ Eviction prevention rental assistance also allowed after 60% threshold is met

The following is a summary of other bills of interest.

[ESHB 1070](#)

Passed Legislature, signed by Governor

- Revises local 0.1% sales and use tax option for housing and related services (2020 HB 1590)
 - Allows property acquisition
 - Includes homeless single adults in eligible population groups
 - County must provide opportunity for 15% of units to serve individuals with ties to city where facility is located.
- Revises Hotel Motel Lodging Tax
- Allows tax to be used for 0-30% area median income housing and homeless youth housing and service space.

[E2SHB 1220](#)

Passed Legislature, delivered to Governor

- Adds new planning requirements for comprehensive plans related to:
 - Moderate density housing options
 - Zoned capacity for affordable housing, shelter and permanent supportive housing
 - Displacement
 - Proactive action on racially disparate outcomes
 - Actions needed to achieve housing affordability
- Encourages actions to accommodate accessory dwelling units
- Jurisdictions may not prohibit permanent supportive housing wherever housing and hotels are allowed
- Jurisdictions may not prohibit indoor emergency housing or indoor emergency shelter in any zones where hotels are allowed, except with an adopted ordinance authorizing indoor emergency shelters and indoor emergency housing in a majority of zones within a 1-mile proximity to transit

[E2SSB 5287](#)

Passed Legislature, delivered to Governor

- Allows King County to implement Multifamily Tax Exemption (MFTE) in unincorporated urban areas
- Creates a new 20-year exemption program
- Allows buildings to extend the MFTE for an additional 12 years if the project meets local affordability requirements
- Sunsets the MFTE program for new projects in 2032

[ESSB 5096](#)

Passed Legislature, delivered to Governor

Concerning an excise tax on gains from the sale or exchange of certain capital assets individuals have held for more than a year, unless an exemption applies. Capital assets are assets owned for investment or personal reasons and are not usually sold in the course of business.

Individuals would be required to pay capital gains tax if taxable capital gains exceed:

- \$25,000 for individuals who are not joint filers
- \$50,000 for individuals filing joint returns

Memorandum



South King Housing and Homelessness Partners

TO: SKHHP Executive Board

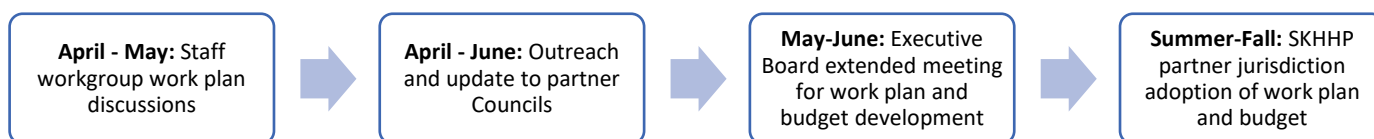
FROM: Angela San Filippo, Executive Manager

DATE: May 14, 2021

RE: 2022 SKHHP work plan and budget development

The following is an outline of the 2022 SKHHP work plan and budget development process, status update on actions from the 2020-2021 work plan, and overview of 2022 work plan discussion and priority setting.

An outline of the work plan and budget development process was presented at the April 23, 2021 Executive Board meeting and has been expanded based on SKHHP staff workgroup and partner jurisdiction input received to date. The intention is to provide a progress update and solicit feedback from SKHHP partner Councils prior to the May SKHHP Executive Board meeting. The May 21 Executive Board meeting will focus on 2022 budget and work plan development through discussion of SKHHP's mission and objectives, status update on the 2020-2021 work plan, and 2022 priority action items.



DRAFT SKHHP MISSION (review and discuss)

South King County jurisdictions working together and sharing resources to create a coordinated and comprehensive approach to increasing housing stability and producing and preserving quality affordable housing in South King County.

DRAFT OBJECTIVES (review and discuss)

- Share technical information and resources to promote sound housing policy
- Coordinate public resources to attract greater private and public investment into affordable housing in South King County
- Provide a unified voice to advocate for South King County needs at a local and regional level

I. REOCCURRING ANNUAL WORK PLAN ITEMS

a. Governance and administration

- Annual development of work plan and budget
- Quarterly progress and budget reports

- Annual updates and outreach to stakeholders and non-SKHHP partner cities
- Staff support to Executive Board, Advisory Board, and staff workgroup

b. Policy and planning

- Build funding support through advocacy with philanthropic and private corporations
- Support development and implementation of policies and strategies that address tenant protections through anti-displacement, fair housing, and healthy housing
- Support development and implementation of housing strategies that embed and track racial equity

c. Outreach and education

- Represent SKHHP at local and regional meetings and forums
- Monthly SKHHP Executive Board educational topics
- Support SKC engagement and elected official participation in affordable housing development tours
 - Educational and engagement opportunities for elected officials, stakeholders, and community members
- Develop State and Federal Legislative priorities
- Coordinate and work with developers to better understand barriers to increasing construction and preservation of affordable housing
 - Convening South King County Joint Planners and Developers Work Group

II. 2020-2021 WORK PLAN AREAS OF ONGOING FOCUS

a. Governance and administration

- Establish SKHHP Advisory Board

b. Policy and planning

- Establish SKHHP Housing Capital Fund and develop administrative plan and structure
- Build funding support through advocacy with philanthropic and private corporations
 - Establish SKHHP 501(c)(3)
 - Develop marketing materials
- Support development of housing strategy/action plans
- Maintain inventory and assessment of existing preservation programs for affordable rental and ownership housing

c. Outreach and education

- Coordinate and work with developers to better understand barriers to increasing construction and preservation of affordable housing

III. 2021 WORK PLAN AREAS NEEDING ATTENTION

a. Policy and planning

- Inventory of naturally occurring affordable housing vulnerable to market pressures
- Develop examples of potential design standards and desired requirements

b. Outreach and education

- Develop affordable housing and homelessness awareness presentation toolkit

IV. 2022 PRIORITY SETTING

a. Budget – the following priority budget areas were identified in initial discussions with the staff workgroup, budget scenarios will be developed for review and discussion based on these priority areas.

- Work towards adoption of a balanced budget that includes full time Executive Manager and full time Program Coordinator.
- Develop compensation structure for Advisory Board members.

b. Work Plan – build upon the 2020-2021 work plan to identify the highest priorities for 2022. The following priorities were identified in an initial discussion with the staff workgroup and will be built upon through briefings with individual jurisdiction’s Councils, and further discussion with the staff work group and Executive Board.

- Develop strategies for preservation of affordable housing in South King County
- Educational opportunities with partner organizations and area experts to better understand connections to homelessness services, outreach, and best practices
- Educational opportunities strategically tied to SKHHP work plan
- Use equity lens for development and implementation of all aspects of work plan

DRAFT 2022 SKHHP WORK PLAN

GOVERNANCE AND ADMINISTRATION

GOAL 1: Define strategy, direction, and long-term goals, and provide direction to staff on implementation of the SKHHP Interlocal Agreement.

Outcomes:

- 1) Functioning and collaborative entity with clear measures of success.
- 2) Implementation supports equitable outcomes across jurisdictions, community members, and stakeholders.
- 3) Added value for SKHHP partners and South King County subregion.

Activities/Actions:

- 1) Develop annual work plan and budget
 - a. Partner jurisdiction input and review
 - b. Partner jurisdiction adoption
- 2) Quarterly progress and budget reports
- 3) Annual updates to stakeholders and non-SKHHP South King County cities
- 4) Strategic planning – establish 3-5 year goals and objectives

POLICY AND PLANNING

GOAL 2: Administer and allocate South King County Housing Capital Funds.

Outcomes:

- 1) Increase resources dedicated to affordable housing preservation, rehabilitation, and production in South King County.
- 2) Pool resources to address the growing affordable housing and homelessness needs in South King County.

Activities/Actions:

- 1) SKHHP Housing Capital Fund application and allocation process
- 2) Build funding support through advocacy with philanthropic and private corporations

GOAL 3: Work with partner jurisdictions to enhance and develop new local policies and programs that protect existing affordable housing stock, provide housing security, and accelerate access to affordable housing.

Outcomes:

- 1) Number of jurisdictions that adopt new or enhanced legislation or programs that support equitable affordable housing production and preservation strategies.

- 2) Increased number of affordable rental housing units in participating programs.
- 3) Improved collective efforts to address systemic and institutional racism and create greater racial equity and justice in housing.

Activities/Actions:

- 1) Support implementation of housing strategy/action plans to increase equitable housing production and preservation strategies
- 2) Maintain inventory & assessment of existing city policies and regulations for affordable housing preservation programs and housing production strategies
- 3) Assist cities in enacting policies and strategies that address tenant protections through anti-displacement, fair housing, and healthy housing
- 4) Maintain catalog of successful affordable housing development projects

OUTREACH AND EDUCATION

Goal 4: Represent South King County and its unique affordable housing needs at all decision tables and foster collaboration between partners.

Outcomes:

- 1) Establish credibility of SKHHP with potential partners and funders.
- 2) South King County is authentically heard, considered, and supported by regional and state stakeholders and policy makers.
- 3) Changes in policies, practices, and funding streams that support affordable housing and homelessness programs in South King County.

Activities/Actions

- 1) Represent SKHHP at local & regional meetings and forums.
- 2) Develop annual SKHHP State advocacy priorities
- 3) Develop annual SKHHP Federal advocacy priorities
- 4) Conduct work sessions with state legislators

Goal 5: Further strengthen regional stakeholders' understanding of the spectrum of affordable housing options, the range of related needs and opportunities, and the housing system .

Outcomes:

- 1) South King County decision makers are informed and prepared to act based on current information and facts.
- 2) Increased interest from nonprofit and for-profit developer to partner with South King County cities to produce affordable housing.
- 3) The broader community is engaged on local housing issues.

Activities/Actions

- 1) Coordinate and work with developers to better understand barriers to increasing construction and preservation of affordable housing
- 2) Support SKC engagement and elected official participation in affordable housing development tours
- 3) Coordinate monthly educational topics that promote understanding of the full housing system and practices that have led to inequities in the system, and opportunities to address racial equity and justice
- 4) Generate educational information for the public including brochures, website, housing tours, and other outreach programs.

DRAFT